



The Insider

www.senate.michigan.gov/switalski

Inside State Politics with State Senator Mickey Switalski Senate District 10

September 18, 2009

Welcome to the electronic version of *The Insider*. I would like to take the opportunity to thank you for your support and giving me an opportunity to represent you in the Michigan Senate. It is my sincere hope that this bi-weekly e-newsletter will keep you informed of the happenings in Lansing while staying true to the traditional style of *The Insider*. If you would like to contact me, please feel free to e-mail me at senmswitalski@senate.michigan.gov or call me at my Roseville or Lansing office. You can also meet me in person during my constituent hours, coming to a location near you. Call my office and make an appointment or just walk in. See the schedule below for details.

Mickey's Blog- Broken Promise: Why We Must Cut College Scholarships

Michigan's Promise Scholarship was created in 2000 (as the Michigan Merit Award) during a great economy by then Governor John Engler. The revenue source was annual payments from Tobacco Settlement dollars, and the cost was about \$60 million. The state was having difficulty getting students to take the MEAP test, and schools had to bribe students with days off, free pizza, and other inducements to get them to stop boycotting the test.

The \$2,500 scholarship motivated students, and participation zoomed. The scholarship was available to all students, regardless of income. They just had to pass the test. Critics complained that the Tobacco money should have been devoted to health-related programs, and that the money was going to students who had no financial need and who might already be on full scholarship. But I voted for it, because I thought there ought to be at least one scholarship based purely on merit, to reward good students, and the state had a lot of money at the time.

Good times don't last forever, and within two years the state began having terrible budget problems. The history of the Promise Scholarships shows that the legislature has repeatedly changed the rules on the amount and timing of the grants, driven by a need to cut spending. Unfortunately, to make the cuts palatable, the state has raised spending for future years. As a result, the program has escalated from an \$82 million annual commitment to nearly \$200 million.

The first change came in 2003. The cost had grown to \$121 million in 2002, as more and more students were taking and retaking the test until they qualified. In 2003, the scholarship was changed from \$2,500 upon graduating from High School to \$1,250 the first year and \$1,250 the second year. The change appeared innocuous, since students got the same \$2,500 total, but it saved the state \$60 million.

Just think of it. The first year, your cost is cut in half, because you only have to pay \$1,250 instead of \$2,500 to 50,000 high school seniors. But the savings are short lived. The second year, you have to pay the new seniors their \$1,250, plus last year's seniors the second half of their payment. Bingo, you are back to \$132 million.

Other changes followed, such as restricting scholarships to in-state students. In 2007 we changed the two \$1,250 payments into two \$1,000 payments at the end of the freshman and sophomore year of college followed by a \$2,000 payment after the completion of an Associate's degree.

Once again this saved money up front, about \$24 million, but at a significant increase in future costs.

Official estimates show the cost escalating annually to \$192 million in 2015. Unfortunately, this is typical of government. Faced with making a cut to a popular program, politicians promise future improvements in return for short-term savings. The improvements are never paid for. So immediate budget relief leads to a growing unfunded liability.

Don't get me wrong. Scholarships are a nice thing. Especially when you can pay for them. But tobacco settlement dollars have dwindled. Besides, when you are cutting everything in state government, shouldn't Scholarships have to take their share of the pain? 10 years ago, this program didn't even exist.

How can it now be so crucial that it shouldn't even face a reduction?

Many argue that it is a promise made to students. But the history we have just described shows that promise has been altered many times. The promise was made in good faith, but economic reality and recession have made it impossible to keep that promise.

I recently served on a panel interviewing students for the Winning Futures scholarship program. This organization works with High School students to get them to plan their future, form a career goal, and develop the specific steps they must take to make their goal a reality. I will never forget the young lady who told the panel she had planned to go to University, but that she had to change her plan, because both of her parents had lost their jobs. She began to cry and said that she had gotten a job to help her family and that she would have to go to Community College.

I reassured her that her parents should be proud to have such a fine daughter. Imagine another child, selfish enough to insist that her parents lose their house, sell their possessions, and do whatever they had to do to keep their promise to pay her college tuition. I would submit that such a daughter is not worth educating. Which daughter would you rather have?

The supposed ideal of a free college education does not stand scrutiny anyway. I have always believed that the best thing my late father ever did for me was to not pay for my education. He gave me a job in his tombstone shop, making grave markers to earn enough money to pay for my own education. I valued it more because I paid for it. Every year when I finished classes, I was sick of school. Then came a 3 month dose of reality. After a summer of wrestling with granite blocks in the hot and dusty shop, I couldn't wait to get back to school.

That's just human nature. If education, or health care, or ice cream is free, we don't properly value it. We waste it. We abuse it. But if we have to pay, even part of the cost, we start using it carefully, because our own money is at stake.

My conclusion, which many of my own colleagues disagree with, is that the Promise Scholarship should take its fair share of the cuts, just like everything else. Some think that is bad politics, because the program is very popular. But it is the right policy in our present circumstances.

What do you think? Feel free to share your thoughts.

Mickey's Notes

GOVERNOR ANNOUNCES ASSISTANCE WEBSITE FOR PEOPLE IN NEED

Governor Jennifer Granholm recently announced a streamlined state website that will help the unemployed and other Michigan residents easily find programs that may assist them. The Helping Hand website, www.michigan.gov/helpinghand, offers information on jobs and training, unemployment benefits, health care, family support, and housing. People who are applying for food assistance will now be able to apply online through Helping Hand and will not have to visit a Department of Human Services Office. The website can also help people determine if they may be eligible for unemployment benefits or certain types of public assistance such as Medicaid benefits.

While Helping Hand covers many programs and services, it doesn't include every available resource in every Michigan community. So the state is partnering with the Michigan Association of United Ways by providing links on Helping Hand to 2-1-1, the United Way system (<http://www.uwsem.org>) that connects people with information and resources. The state is also partnering with the Michigan Community Action Agency Association. For more information on the programs and services that the Macomb County Community Services Agency provides, visit <http://www.macombcountymi.gov/MCCSA/index.htm>.

AMERICAN DIABETES ASSOCIATION TO HOST DETROIT DIABETES EXPO ON SEPTEMBER 19

More than 600,000 Michigan residents have been diagnosed with diabetes, and an estimated 2.6 million more have prediabetes. According to the American Diabetes Association, this results in an annual statewide health care spending of more than \$5.4 billion that is directly attributable to diabetes-related care.

As a result, the American Diabetes Association is hosting the 2009 Detroit Diabetes EXPO to provide Michigan residents with the latest in cutting-edge diabetes information and health resources. The event is free of charge (including free parking) to the public and will feature the latest information on the disease, including symptoms and treatment options, nutritional planning advice and health screenings. The EXPO will be held on Saturday, September 19, 2009 from 9 a.m. to 3 p.m. at the Michigan State Fairgrounds, located at 1120 West State Fair, Detroit MI 48203. For more information, call 888-Diabetes or visit www.diabetes.org/detroitexpo.

MACOMB RESIDENTS URGED TO TAKE ADVANTAGE OF MICHIGAN HOME HEATING CREDIT

The Michigan Public Service Commission (MPSC) is urging low-income individuals to apply for the Michigan Home Heating Credit before the September 30th deadline. The Home Heating Credit is funded by the federal Low-Income Home Energy Assistance Program (LIHEAP) grant and is administered by the Michigan Department of Treasury to assist lower income people with their winter heating bills. For more information on eligibility requirements and to download the MI-1040CR-7 form, log on to www.michigan.gov/heatingassistance.

MDOT POSTS GAME DAY TRAFFIC INFORMATION ONLINE

The Michigan Department of Transportation is making game day traffic information for the University of Michigan, Michigan State University, and Detroit Lions football games available on their website, which can be accessed at the following link: www.michigan.gov/gettingtothegame. Game day travel alerts will be regularly updated throughout the season.

In addition, you can get up-to-date road travel information for state roadways (as defined by the US, M, and I route designation), including a list of statewide lane closures, at www.michigan.gov/drive.

DHS CREATES MI BRIDGES WEBSITE FOR FOOD ASSISTANCE PROGRAM

The Michigan Department of Human Services is continuing its focus on ensuring that residents receive the benefits they are eligible for. Through the implementation of the MI Bridges program (an online food assistance application and client self-service portal), families who are eligible or participating in the food assistance program can access their account via the Internet at the following link: <http://www.michigan.gov/mibridges>.

UNEMPLOYMENT INSURANCE AGENCY TO HOLD FREE SEMINARS FOR EMPLOYERS ABOUT MICHIGAN'S UI SYSTEM

The Michigan Unemployment Insurance Agency (UIA) will host a series of ten free half-day seminars for employers about the state's unemployment program at various locations across the state in October and November, including one seminar in Clinton Township.

Each session starts at 8 a.m. and ends at 12:30 p.m. The Clinton Township seminar will be held on October 30 at the Macomb Intermediate School District's offices, located at 44001 Garfield Road, Central Training Room 100-B.

The seminars are designed to help explain to employers Michigan's UI tax and benefit programs as well as recent changes at the agency. Topics discussed at the seminar includes how benefits are paid and charged to employer accounts, new online services available for employers, how the UIA calculates unemployment insurance tax rates, and how to appeal a UIA determination decision.

For more information on the seminars, including registration forms and entire event schedule, click on to the following link: (http://www.michigan.gov/documents/uia/Fall09Registration_290579_7.pdf).

Coffee Hours

*In response to requests from constituents, I have added coffee hours in Roseville and during the daytime. Here are my next scheduled coffee hours. Please feel to stop on by or make an appointment by calling my office.

September 28 7-8 p.m. Senator Switalski's District Office (31513 Gratiot, Suite B) Roseville	October 26 1:30-2:30 p.m. Senator Switalski's District Office (31513 Gratiot, Suite B) Roseville
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Mickey's TV Insider Show

Check out my TV Insider Show coming to a television station near you. Watch me interview local guests about politics, life, issues and concerns to our district.

Sterling Heights

Every Saturday and Sunday at 1 p.m.
(Comcast Channel 5/WOW Channel 10)

Utica

Every Wednesday at 9 a.m.
(Comcast Channel 5/WOW Channel 10)

Clinton Township

Last week of every month- Sat thru Thurs
(Comcast Channel 5/WOW Channel 10)

Roseville

Various Times-check local listings
(Comcast Channel 18/WOW Channel 10)

Contact My Office

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